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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

September 21, 2015

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 20426

Re: Lake Charles Liquefaction Project Docket Nos. CP14-119-000, CP14-120-000, and CP14-122-000

In accordance with our responsibilities under Section 309 of the Clean Air Act (CAA), the National Environmental Policy Act (NEPA), and the Council on Environmental Quality (CEQ) regulations for implementing NEPA, the U.S. Environmental Protection Agency (EPA) Region 6 office in Dallas, Texas, has completed its review of the Federal Energy Regulatory Commission (FERC) Final Environmental Impact Statement (FEIS) for the Lake Charles Liquefaction Project. The purpose of this FEIS is to inform the FERC decision-makers, the public, and the permitting agencies about the potential adverse and beneficial impacts of the proposed project and its alternatives, and recommend mitigation measures that would reduce adverse impacts to the extent practicable.

EPA provided comments on the Draft Environmental Impact Statement (DEIS) dated June 1, 2015, in which the DEIS was rated as "EC-2," i.e., "Environmental Concerns – And Requests Additional Information." EPA is pleased that the FEIS included additional analysis of the proposed action to address many of our concerns. FERC did not fully address our concerns regarding the analysis of indirect effects and greenhouse gas emissions; we are providing comments that we recommend FERC consider before issuing the Record of Decision document.

EPA appreciates the opportunity to review the FEIS. If you have any questions or concerns, please contact me or Michael Jansky of my staff at (214) 665-2133 or (214) 665-7451 or via email at hayden.keith@epa.gov or jansky.michael@epa.gov respectively, for assistance.

Sincerely,

Keith Hayden
Acting Chief, Office of Planning
and Coordination

DETAILED COMMENTS ON THE FEDERAL ENERGY REGULATORY COMMISSION FINAL ENVIRONMENTAL IMPACT STATEMENT FOR THE LAKE CHARLES LIQUEFACTION PROJECT

Indirect Effects

The FEIS did not consider the potential for increased natural gas production as a result of the proposed terminal and the potential for environmental impacts associated with these potential increases. Both FERC and the Department of Energy (DOE) have recognized that an increase in natural gas exports will result in increased production.[1] However, FERC has concluded that the nature of natural gas supply and the pipeline system in the U.S. make it difficult to accurately predict where the additional gas development activity will occur, and thus it is not feasible to more specifically evaluate localized environmental impacts. DOE has released a study by the National Energy Technology Laboratory (NETL), entitled "Addendum to Environmental Review Documents Concerning Exports of Natural Gas from the United States."[2] We note that NETL recognizes that many of the potential impacts will vary considerably by the production location due to differences in hydrology, geology, ecology, air quality, regulatory structure and other factors. Nonetheless, the Addendum provides the kind of conceptual level analysis of the types of impacts that are likely to occur from increased production. We recommend that this study be considered as part of the decision making for this project.

Climate

Greenhouse Gas Emissions:

The FEIS included a helpful discussion of the greenhouse gas (GHG) emissions associated with construction of the project and annual emissions from the operation of the liquefaction facility. In addition to operational and construction emissions, there are also GHG emissions associated with the production, transport, and combustion of the natural gas proposed to be exported by the project. Because of the global nature of climate change, even where the ultimate end use of the natural gas occurs outside the U.S., additional greenhouse gas emissions attributable to the project would affect the U.S. Consistent with NEPA and CEQ regulations, because any such emissions contribute to climate change impacts in the U.S., it is appropriate to consider and disclose them in NEPA analyses due to their reasonably close causal relationship to the project. FERC's DEIS for the Jordan Cove Energy and Pacific Connector Gas Pipeline project included useful calculations of GHG emissions from end use of the gas exported by the facility, and we recommend that the same calculations be considered as part of the decision making for this project.

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[1] Effect of Increased Natural Gas Exports on Domestic Energy Markets, as requested by the Office of Fossil Energy. US Energy Information Administration. January 2012 (http://energy.gov/sites/prod/files/2013/04/f0/fe_eia_lng.pdf) and Cameron LNG EIS, Appendix L (Response to Comments), p. L-36 (http://elibrary.ferc.gov/idmws/common/OpenNat.asp?fileID=13530753)

[2] Addendum to Environmental Review Documents Concerning Exports of Natural Gas from the United States. DOE. (http://energy.gov/sites/prod/files/2014/05/f16/Addendum_0.pdf)

DOE has issued two documents that are helpful in assessing the GHG emissions implications of the project. They are the Addendum mentioned above, and NETL's report, entitled "Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States."[3] These reports provide a helpful overview of GHG emissions from all stages of a project, from production through transmission and combustion. The NETL report also includes comparative analysis of GHG emissions associated with other domestic fuel sources and liquefied natural gas (LNG) exports as they relate to other possible fuel sources in receiving regions. This information is helpful to decision makers in reviewing the foreseeable GHG emissions associated with the increased production of natural gas and the export of LNG and how they compare to other possible fuels. EPA recommends that both DOE reports be considered as part of the decision making process for this project. FERC may also want to consider adapting DOE's analysis to more specifically consider the GHG implications of this project.

[3] Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States. DOE/NETL-2014/1649 (http://energy.gov/fe/life-cycle-greenhouse-gas-perspective-exporting-liquefied-natural-gas-united-states)